



0000070731

THIS AMENDMENT:

_____ Passed _____ Passed as amended by _____

RECEIVED _____ Failed _____ Not Offered _____ Withdrawn

2004 MAR -9 12 11:40

MUNDELL'S PROPOSED AMENDMENT #1

Arizona Corporation Commission

DOCKETED

DATE PREPARED: March 9, 2004

MAR - 9 2004

COMPANY: Arizona Water Company

AGENDA ITEM NO. U-1

DOCKETED BY 

DOCKET NO. W-01445A-02-0619

OPEN MEETING DATE: March 10, 2004

Page 39, Line 20, after "respectively." INSERT "Because of this dramatic increase in rates, we find it necessary to mitigate the rate shock that will be experienced by customers of the Bisbee system. Therefore, we will require Arizona Water Company to phase in the rate increase over a three-year period. This will necessitate the creation of a deferred earnings account on the balance sheet of the system to account for the authorized but not collected earnings during the phase-in period. The Company is authorized to collect 33 and 1/3rd percent of its authorized rate increase beginning in March 2004 and the Company shall apply an interest rate of seven percent to the deferred earnings account. The Company shall then make annual adjustments to rates to recover the deferred earnings plus interest, 33 and 1/3rd percent at a time, in March 2005, March 2006 and March 2007. The Company shall file a Rule 14-2-103 filing for this system no later than January 2008."

Page 40, Line 1, after "respectively." INSERT "Because of this dramatic increase in rates, we find it necessary to mitigate the rate shock that will be experienced by customers of the San Manuel system. Therefore, we will require Arizona Water Company to phase in the rate increase over a three-year period. This will necessitate the creation of a deferred earnings account on the balance sheet of the system to account for the authorized but not collected earnings during the phase-in period. The Company is authorized to collect 33 and 1/3rd percent of its authorized rate increase beginning in March 2004 and the Company shall apply an interest rate of seven percent to the deferred earnings account. The Company shall then make annual adjustments to rates to recover the deferred earnings plus interest, 33 and 1/3rd percent at a time, in March 2005, March 2006 and March 2007. The Company shall file a Rule 14-2-103 filing for this system no later than January 2008."

Page 40, Line 4, after "respectively." INSERT "Because of this dramatic increase in rates, we find it necessary to mitigate the rate shock that will be experienced by customers of the Sierra Vista system. Therefore, we will require Arizona Water Company to phase in the rate increase over a three-year period. This will necessitate the creation of a deferred earnings account on the balance sheet of the system to account for the authorized but not collected earnings during the phase-in period. The Company is authorized to collect 33 and 1/3rd percent of its authorized rate increase beginning in March 2004 and the Company shall apply an interest rate of seven percent

to the deferred earnings account. The Company shall then make annual adjustments to rates to recover the deferred earnings plus interest, 33 and 1/3rd percent at a time, in March 2005, March 2006 and March 2007. The Company shall file a Rule 14-2-103 filing for this system no later than January 2008.”

Page 40, Line 26, DELETE “January 31, 2004” and INSERT “March 31, 2004”

Page 40, Line 28, INSERT new Ordering Paragraph

“IT IS FURTHER ORDERED that Arizona Water Company, RUCO, and Staff shall jointly prepare an accounting order and implementing mechanism to fairly execute the phase in adopted herein and present such order and mechanism to the Commission for approval. The Company, RUCO, and Staff shall present such accounting order and implementing mechanism to the Commission for approval within 45 days of the effective date of this Order and shall file a report on the status of negotiations within 30 days of the effective date of this Order.”

Page 41, Line 1, DELETE “February 1, 2004” and INSERT “March 10, 2004”

Page 41, Line 14, DELETE “January 31, 2004” and INSERT “March 31, 2004”

Page 42, Line 2, DELETE “January 31, 2004” and INSERT “March 31, 2004”